# GOVERNMENT OF INDIA
# FINANCE
# LOK SABHA

UNSTARRED QUESTION NO:6732
ANSWERED ON:10.05.2002
GLOBAL SURVEY
ASHOK NAMDEORAO MOHOL

**Will the Minister of FINANCE be pleased to state:**

(a) Whether according to a global survey conducted by London BusinessSchool and Babson College (USA), India fares poorly in terms of its attitude towards entrepreneurship and the fear of failure of start ups;

(b) If so, whether lack of proper physical infrastructure and outdated policies and programmes are the major factors; and

(c) If so, the steps being taken in this regard?

## Answer

MINISTER OF STATE IN THE MINISTRY OF FINANCE ( SHRI BALASAHEB VIKHE PATIL )

(a) The Global Entrepreneurship Monitor (GEM) 2001, a joint initiative of the London Business School and Babson College (USA) has assessed the level of entrepreneurial activity in twenty-nine national economies of the world, including India. While India`s level of total entrepreneurial activity (11.2 per cent) is high relative to other countries covered by the Survey, the Report mentions that less than 1 per cent of the adult population invests in start-up businesses in India, which is among the lowest in the countries covered.

(b) Inadequate physical infrastructure, high cost of working capital, administrative hindrances, and lack of quality research and development have been mentioned as key issues for India.

(c) Development of infrastructure has been one of the key priorities of the Government. Enabling policies have been adopted for enhancing private participation and foreign investment in key infrastructure sectors. The Union Budget for 2002-03 has substantially enhanced budgetary outlay for infrastructure sectors. The Government is also making sustained efforts for introducing efficient regulatory practices in key infrastructure sectors.